



MINUTES

LAFCO REGULAR MEETING

Wednesday, October 13, 9:00 a.m.

Planning Commission Hearing Room, Hall of Administration

10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Charles Smith called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:04 a.m.

2. PLEDGE OF ALLEGIANCE

Chair Charles Smith led the pledge of allegiance.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Robert Bouer**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner Susan Wilson**
- **Commissioner John Withers**
- **Alternate Commissioner Patsy Marshall**
- **Alternate Commissioner Rhonda McCune**
- **Alternate Commissioner James Silva**

The following LAFCO staff members were present:

- **General Counsel Clark Alsop**
- **Executive Officer Joyce Crosthwaite**
- **Assistant Executive Officer Bob Aldrich**
- **Project Manager Carolyn Emery**
- **Project Manager Kim Koeppen**
- **Communications Analyst Danielle Ball**
- **Administrative Assistant Daphne Charles**

4. APPROVAL OF MINUTES

a.) September 15, 2004 – Regular Commission Meeting

MOTION: Approve minutes from September 15, 2004 as presented and without revision (Arlene Schafer)

SECOND: Susan Wilson

FOR: Robert Bouer, Peter Herzog, Arlene Schafer, Charles Smith, James Silva, Susan Wilson, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

5. PUBLIC COMMENT

Chair Smith requested public comments on any non-agenda item.

Yolanda Lewanski, a resident from an unincorporated island in the City of Santa Ana's sphere of influence, provided a letter to the Commission to be added to the public record. She expressed her opposition to the City of Santa Ana annexing the island. She said that 48 out of the 49 households in the island would prefer to annex to the City of Tustin, as the residents feel a close affiliation with the city. She criticized State legislation AB 1555, which prohibits the residents from protesting annexation to the City of Santa Ana. She maintained that the island's residents believe that LAFCO erroneously included the island in the City of Santa Ana's sphere of influence without notice to the residents. She added that the residents would like to petition a sphere change due to social and economic communities of interest but feel that they shouldn't have to pay the LAFCO filing fee.

Chair Smith mentioned that the City of Santa Ana had postponed its public hearing regarding the potential annexation of the island for sixty days at his request. He commented that LAFCO staff was working with both the Cities of Santa Ana and Tustin regarding the unincorporated island.

Vice Chair S. Wilson, speaking as the Commission's public member, cited a recent article appearing in the Orange County Register, which declared that the City of Santa Ana had the county's lowest quality of life and said she understood the residents' objections.

Chair Smith requested further public comments. Receiving no response, he closed the public comment agenda item without any additional comments from the public

6. CONSENT CALENDAR

a.) Year-End Legislative Report

MOTION: Approve the consent calendar (Peter Herzog)
SECOND: Arlene Schafer
FOR: Robert Bouer, Peter Herzog, Arlene Schafer, Charles Smith,
James Silva, Susan Wilson, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

7. PUBLIC HEARING

None

8. COMMISSION DISCUSSION

- a.) Update on the LAFCO Municipal Service Review (MSR) Program
- b.) Update on the Costa Mesa/Newport Beach Island Annexations
- c.) LAFCO Business Report

8a. Executive Officer Joyce Crosthwaite introduced Project Managers Carolyn Emery and Kim Koeppen to present status updates regarding the two initial Municipal Service Review (MSR) prototypes.

Project Manager Emery provided an update on the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR focus area. She displayed the focus area's boundaries on a map for the Commission and listed the affected agencies. She recapped the stakeholder working group's progress towards drafting the 20-year vision plan for the MSR focus area, which included five total meetings to date and a sixth scheduled for the end of October. She commented on the difficulty staff encountered gathering data for the law enforcement comparison but added that the issues had been overcome.

Ms. Emery summarized the working group's key accomplishments, including the development of the group's purpose statement and a collective definition of quality of life as well as the collection of trending data and the subsequent identification of the focus area's key challenges and potential solutions. She stated that the working group defined governance and fiscal health as its main concerns. She indicated that staff was working with Economic & Planning Systems (EPS) to complete a high-level analysis of the alternatives and strategies identified by the working group, some of which would be adopted by the working group to include in its 20-year vision plan. She said that staff anticipated completing the focus area's working group process by year's end and presenting the working group's 20-year vision plan along with staff's MSR report in early 2005.

Vice Chair S. Wilson asked if it was possible for the Commission to review EPS's analysis of the alternatives and strategies prior to it being presented to the working group. Executive Officer Crosthwaite agreed to develop a summary of the EPS report for the Commission.

Commissioner Silva thanked Executive Officer Crosthwaite for her diligence in quickly familiarizing herself with the MSR Program and the focus areas' unique challenges and community dynamics. He said that he had written a memo to Sheriff Carona that would hopefully expedite staff's data collection efforts related to the law enforcement comparison component of the Los Alamitos/Seal Beach/Rossmoor/Sunset Beach MSR focus area. He speculated regarding possible long-term solutions for the focus area but added that many of the potential solutions would not be politically viable.

Commissioner Schafer asked what action the Commission would take with the 20-year vision plan. Executive Officer Crosthwaite said that it would primarily be a receive and file, adding that the Commission would adopt determinations for staff's MSR report. She said that LAFCO staff hoped that the stakeholders would bring the 20-year vision plan to their agencies and communities.

Project Manager Koeppen provided an update on the Orange/Villa Park/Orange SOI MSR focus area. She reoriented the Commission to the focus area, indicating the focus area's boundaries on a map and listing the stakeholders agencies and communities. As of the Commission's last MSR update in July, she said, the focus area's working group had broken into brainstorming committees to address the four key issues identified for the area by the working group: 1) water/waste water/urban runoff; 2) open space and recreation; 3) unincorporated areas governance and fiscal; and 4) septic-sewer conversion. She said that the committees brainstormed a list of key challenges and possible opportunities, alternative strategies, and approaches to address those challenges, which they presented to the full working group in September.

Ms. Koeppen indicated that the working group adopted each of the brainstorming committee's reports by consensus as the framework for the working group's 20-year vision plan. She added that she had drafted the group's 20-year vision plan, which she would present to the group next week for review and revision. She said that staff anticipated bringing a full report to the Commission in early 2005.

Ms. Koeppen further commented on East Orange utilities study by The Keith Companies. She said that the consultant was preparing the final draft to be submitted to LAFCO on Friday and that the draft would subsequently be distributed to the affected agencies for comment. She said that the study's findings would be used to develop some of the nine determinations.

- 8b.** Assistant Executive Officer Aldrich summarized the Commission's past actions related to the Costa Mesa/Newport Beach area unincorporated islands, which included: the September 2003 annexation of five small islands to the City of Costa Mesa; the annexation of East Santa Ana Heights to the City of Newport Beach; and the annexation of Bay Knolls, portions of which were annexed to both cities. He indicated that a small portion of the Bay Knolls community remained unincorporated due to resident protest.

Mr. Aldrich made comments specific to the territory known as "Area 7," which includes the Santa Ana Country Club, West Santa Ana Heights, and the commercial and residential areas south of Mesa Drive. Mr. Aldrich reminded the Commission that it had annexed the Santa Ana Country Club and the residential and commercial areas south of Mesa Drive to the City of Costa Mesa but that the areas remained unincorporated due to resident protest. He stated that the Commission had two active applications for the area: one annexation application for West Santa Ana Heights from the City of Costa Mesa and the other application submitted by the residents of West Santa Ana Heights requesting a sphere change from Costa Mesa to Newport Beach. He further added that the City of Newport had pre-zoned the entirety of Area 7 and would consider filing an annexation application in December for all or a portion of the area. He said that the Commission would likely consider all three applications concurrently in March or April of 2005.

Commissioner McCune said that it was a shame that certain areas remained unincorporated due to protest, making service provision inefficient and costly. She commented that the Commission tries to make logical and unbiased decisions for the benefit of the island residents.

- 8c.** Assistant Executive Officer Aldrich presented the LAFCO business report, which summarized staff's anticipated administrative activities over the next six months. He informed the Commission that the accounting audit for fiscal year 2003-2004 would be completed in November and presented to the Commission in December. He added that changes in state law and the implementation of LAFCO's independent accounting system necessitated changes to the Commission's personnel and accounting policies and procedures. The revisions to the policies and procedures, he said, would be presented to the Commission in 2005. He stated that, beginning in November, staff would present the Commission with quarterly budget updates. He also added that staff was in the process of updating the Commission's current fee schedule, as recommended during the Commission's 2004 strategic planning session, and would present alternatives for the Commission's consideration in the spring.

9. COMMISSIONER COMMENTS

Chair Smith opened commissioner comments.

Vice Chair S. Wilson related an experience she had at the federal court. She indicated that she was surprised to discover that the federal government is not legally obligated to make special provisions for the handicapped (i.e., parking, access, etc.).

Chair Smith thanked staff for the update on the Costa Mesa/Newport Beach area islands. He said that the existence of such islands might have been avoided if past Commissions had made different decisions. He added that the County cannot afford to continue providing municipal services to the islands at the current level.

Commissioner Withers commented on the Orange/Villa Park/Orange SOI MSR focus area. He said that the MSR process had incited active discussions amongst the affected agencies beyond the stakeholder working group meetings. He stated that he was hopeful that the agencies would collaboratively devise solutions that would be a win for both the agencies and the ratepayers. He thanked staff for creating a vehicle for fostering such discussions.

Commissioner Bouer commented on the Commission's desire to make logical decisions about city boundaries and the tremendous amount of community outreach that went into the Costa Mesa/Newport Beach area islands. He thanked staff for its continued diligence.

Receiving no further response, **Chair Smith** closed the public comment agenda item without any additional comments from the Commission.

10. INFORMATIONAL ITEMS

a.) Orange County Leadership Symposium IV

- 10a.** Executive Officer Crosthwaite stated that OCLS IV would be held January 14-16, 2005 at the UCLA Conference Center in Lake Arrowhead. She encouraged the commissioners to save the dates on their calendars.

Ms. Crosthwaite added that the OCLS Advisory Team had convened to develop an action plan for developing the symposium program. The team, she said, would invite participation by the electeds in developing the program at a workshop convening in early December. She indicated that the workshop would be run by last year's facilitator, Eric Allenbaugh, and said more information would be forthcoming to the Commission.

11. CLOSED SESSION

None

12. ADJOURNMENT

Chair Smith adjourned the meeting at 9:48 a.m.

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JOYCE CROSTHWAITE
Executive Officer
Orange County Local Agency Formation Commission

By: _____
Danielle M. Ball
Communications Analyst/Commission Clerk